



Information Partners Can Use on:

How Medicare Drug Plan Members can Seek Repayment of Premiums and Copayments

New Medicare Prescription Drug Coverage

As of April, 2006

This fact sheet offers guidance to ensure that people with Medicare know how to get paid back for Medicare drug plan copayment and/or premium amounts.

How to get reimbursed from a Medicare Prescription Drug Plan

What should someone do if they paid out-of-pocket for their drug costs because they needed to fill a prescription before receiving their plan membership card or confirmation letter?

If a person with Medicare pays for prescriptions that should be covered by their plan, they should take the following steps to get reimbursed:

- 1) Save the original receipt from the drug purchase.
- 2) Call the customer service number on their membership card, read the plan's printed materials, or look on the plan's member website to find out about the reimbursement process.
- 3) Get a copy of the plan's claim submission or reimbursement form, if needed.
- 4) Fill out the form and submit it to the plan with the original receipt.

What should someone do if they qualified for the Low-Income Subsidy (LIS) but are not charged for the correct deductible or copayment amount?

If a person with the LIS isn't charged the correct deductible or copayment amount, they should contact their plan to find out how to submit a claim for reimbursement of the amount the plan should have paid and the cost sharing they should have paid, if applicable. The person will need to save the original receipt from the purchase in case they need to submit it with the claim. The Medicare drug plan will refund any amount that is due.

How will pharmacies be reimbursed for payments they have made on behalf of unidentified dual eligibles who live in long-term care facilities and qualify for the \$0 copayment?

Dual eligibles who reside in long-term care facilities may not have to pay copayments for their prescription drugs. Pharmacies will receive a one-time payment for the amount of any uncollected copayments for people who were mistakenly identified as having to pay copayment amounts. The pharmacy will need to submit a spreadsheet with claim information to the prescription drug plan.

Note: Processes may vary between plans. Following the drug plan's directions may ensure timely reimbursements.



What should someone do if they don't have a plan membership card?

To avoid paying prescription drug costs that are covered by their plan, people with Medicare should take the following steps if they need to fill a prescription before receiving a plan membership card:

- Take the plan confirmation or acknowledgement letter to the pharmacy.
- If they haven't gotten a confirmation or acknowledgement letter yet, they can let the pharmacist know the plan's name and take one or more of the following to the pharmacy:
 - a welcome letter from the plan,
 - an enrollment confirmation number from the plan, or
 - a copy of an enrollment application.
- If the person has both Medicare and Medicaid or has been approved for the federal low-income subsidy (extra help paying for prescriptions), they can take a copy of their yellow automatic enrollment letter from Medicare, their Medicaid card, their approval letter from Social Security, or other proof that they qualify for extra help from the Federal government.

Premium Payments

People with Medicare can pay their Medicare drug plan premiums in a variety of ways, including

- mailing monthly premium payments directly to the plan,
- having the monthly premium transferred electronically from a checking or savings account to the plan, or
- having monthly premiums deducted from their Social Security benefit.

What should someone do if the correct premium amount is not deducted from their Social Security benefit?

If there is a premium overpayment, such as when a person changes plans and the premium change doesn't immediately go into effect, Social Security will automatically refund the premium overpayment. The person will receive a refund check separate from their regular monthly benefit. It may take 2–3 months to receive a refund.



Why would someone have two premiums deducted in one month?

If a person enrolls in a Medicare drug plan at the end of the month, they may be charged in one month for multiple premium payments. For instance, if someone enrolled in a Medicare drug plan in the last few weeks of December with an effective date of January 1, 2006, they may be billed in February for both January and February premiums. Depending on which payment method they selected, they will either

- receive a bill for two months premiums (Note: Plans generally send bills at either the beginning or the end of the month. It varies from plan to plan.) or;
- have two months premiums withdrawn from the selected account. This could show as two separate withdrawal amounts, or one withdrawal at double the amount, depending on the plan. (Note: These withdrawals generally happen at either the beginning or the end of the month.)

What happens if a person who qualified for the Low-Income Subsidy is charged for a premium?

People who qualified for the full low-income subsidy should generally pay nothing in monthly premiums. There are some people however, who selected a plan that does not have a \$0 premium. If this is the case, the person will have to pay a small premium amount.

Early in the program, some Medicare drug plans were not able to tell which members qualified for the low-income subsidy and should not have had to pay a full premium. In general, plans do not bill members until Medicare tells them what a member's actual premium should be. However, in some cases, plans might have mistakenly sent bills for full plan premiums to certain members.

Drug sponsors have been instructed that they should wait for correct premium information before billing members. They should also not take disenrollment action with members who haven't paid their premium bill, in cases where the person might qualify for the low-income subsidy and owe a reduced or \$0 premium. If someone receives a notice that says they will be disenrolled for non-payment of premiums, they should call their plan.

If the drug plan billed a member who should have a reduced or \$0 premium, and the member paid, the plan will refund the correct amounts as soon as possible. The member can call the customer service number on their membership card, read the plan's printed materials, or look on the plan's member website to find out about the reimbursement process.



What happens if a person is in a Medicare Advantage Plan that lowers the Medicare Part B premium, but they are charged the full premium amount?

Some Medicare Advantage Plans lower or cover their members' Medicare Part B premium as part of the plan enrollment. Medicare experienced some delays in implementing these premium reductions. Members did not see the increase in their Social Security check equal to the amount of the reduction in the Part B premium covered by the plan.

In these cases, the incorrect withholding amounts will be repaid to the member all at once. Depending on the payment method the member selected, they will either

- have three months of the amount of the plan's monthly Part B premium reduction in their benefit check or in a separate check from Social Security,
- have their regularly scheduled Social Security benefit payment increased for three months worth of the amount of the plan's monthly Part B premium reduction, or
- receive a refund check from the plan totaling three months of the amount of the plan's monthly Part B premium reduction (in some limited cases).

Medicare expects that the January, February, and March Part B premium refunds will occur in April.